



City of Buellton Planning Department

November 14, 2008

State of California
Department of Housing and Community Development
1800 Third Street
P.O. Box 952050
Sacramento, CA 94252

RE: City of Buellton, 2008 General Plan Annual Report

Attached for your review and files is the City of Buellton's 2008 General Plan Annual Report. The reporting period is October 1, 2007, to September 20, 2008.

If you have any questions regarding this report, please contact me at (805) 688-7474.

Sincerely,

Marc P. Bierdzinski, AICP
Planning Director

HOUSING POLICY
DEVELOPMENT, HCD

NOV 17 2008

Encl: 2008 General Plan Annual Report

Cc: Steve Thompson (w/enclosure)
Office of Planning and Research (w/enclosure)

**WFH Annual Progress Report
on Implementation of the Housing Element**
General Plan Report requirement pursuant to
Section 65400 of the Government Code

Jurisdiction: City of Buellton

Address: 107 W. Highway 246
P.O. Box 1819
Buellton, CA 93427

Contact: Marc P. Bierdzinski, AICP Title: Planning Director

Phone: (805) 688-7474

Report Period: October 1, 2007, to September 30, 2008

The following information should be included in the report:

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued
2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.
3. Compare units added to regional housing need allocation by income category
(very low, lower, moderate, and above moderate)

See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
2. Assess effectiveness of actions and outcomes

See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"

C. Progress toward mitigating governmental constraints identified in the housing element.

See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"

CITY OF BUELLTON
Annual Report on Status of the General Plan and Programs in Support of
Affordable Housing
10/1/2007 through 9/30/2008

BACKGROUND

By law, every community in California is required to adopt a General Plan as the policy framework by which to guide future growth and development. At a minimum, each such Plan must contain seven mandatory elements (Land Use, Circulation, Housing, Conservation, Open-Space, Noise and Safety). Once adopted, zoning and development regulations that follow must be consistent with the policies of the General Plan.

Section 65400(b) of the California Government Code requires that an annual report be furnished to the City Council regarding the status of General Plan implementation. Annual reports are due on October 1st of each year and must be submitted to the State Office of Planning and Research ("OPR") and Department of Housing and Community Development ("HCD") in addition to each local legislative body.

For Buellton, the annual report is also used as barometer in evaluating progress in meeting the City's fair share of regional housing needs. Specifically, Program 21.a. of the Housing Element requires that the City assess housing performance in connection with the annual report requirement and undertake program adjustments as necessary.

ANALYSIS

General Plan Overview: In 2004, the City embarked on a comprehensive update of its General Plan. The Plan had not been updated since its initial adoption in 1993 at the time of City incorporation well over 10 years ago. The scope of General Plan update was driven by a comprehensive Baseline Report that was prepared and released for public review in 2004. The Baseline Report itemized goals and programs contained in the 1993 General Plan, provided a detailed assessment of actual accomplishments, and set a course for overhauling relevant Elements of the Plan.¹

The Housing Element was adopted in 2004 and the Land Use and Circulation Elements were adopted in 2005. The Conservation and Open Space, Economic Development, Noise, Parks and Recreation, Public Facilities and Services, and Safety Elements were adopted in 2007. The complete Buellton 2025 General Plan is available for review on the City's website, www.cityofbuellton.com. Electronic copies are also available by contacting the Planning Department at 805-688-7474.

Housing Element Overview: The Regional Housing Needs Allocation ("RHNA") process is part of a statewide mandate to address housing related to future growth in the

¹ The Baseline Report as well as all other Housing Element and General Plan Update documents are available for review by contacting the Planning Department, (805) 688-7474.

State. The needs assessment process sets numeric targets with the overriding goal of assuring an equitable geographic distribution of needs and responsibilities. The number assigned to the City of Buellton in July 2008 for 2007-2014 is 279, of which roughly 56% is assigned to target income groups. Table 1 reflects the current adjusted requirement, taking into account construction that has occurred since the beginning of the current RHNA planning cycle.

TABLE 1: RHNA GOALS AND AFFORDABLE HOUSING PRODUCTION				
	Unadjusted Goal	2007 Completed Construction	2008 New Construction	Adjusted Goal
Very Low	64	7	2	55
Low	47	6	0	41
Moderate	46	0	0	46
Above Moderate	121	47	11	63
Total	279	60	13	206
DEFINITIONS: Very Low Income: Households with incomes between 0% and 50% of the areawide median. Low Income: Households with incomes between 50% and 80% of the areawide median. Moderate Income: Households with incomes between 80% and 120% of the areawide median. NOTES: 2007-2008 Completed and New Construction figures are derived from building permit records for the period between October 1, 2006, through September 30, 2008. See Exhibit "C" attached hereto.				

The Housing Element relies upon four basic means by which to address the City's RHNA goals: Second Dwellings, Multifamily Infill, Mixed Use Development, and the Affordable Housing Overlay Zone ("AHOZ"). Of these, the establishment of an AHOZ is viewed as the principal means for accommodating the City's RHNA goals. A detailed description of these programs, as well as those programs which affirmatively further other affordable and fair housing objectives, accompany this report as Exhibit "A."

A new Housing Element is currently being prepared to address the recently adopted RHNA requirements. The updated Housing Element is required to be certified by August 2009.

In the prior RHNA cycle (2003-2007), the City constructed 356 dwelling units. Of that total, 30 were classified as moderate income units. No very low or low income units completed construction during that period. However, three projects received entitlements during that period that included 11 very low income units and nine low income units.

Housing Performance Assessment: Ordinance No. 05-05 was adopted by the City Council on October 13, 2005, and established the AHOZ and the sites to which the AHOZ will initially apply. This timeframe is consistent with the year-end deadline (December 2005) established by HCD in their certification of the updated Housing Element. The City has begun to actively market the AHOZ sites for affordable housing development through e-mails to affordable housing developers and proponents and via an AHOZ brochure to hand out to interested parties.

As a summary, the AHOZ shall: (i) allow “stand alone” residential projects irrespective of the underlying zone designation with a minimum base density of 25 units/acre; (ii) grant a 2:1 density bonus (two market rate units above the base density for each affordable low and very low income unit) up to a maximum combined density of 50% above the base; (iii) impose an inclusionary requirement, mandating that at least 20% of the base density be affordable to very low, low and moderate income households; (iv) compute the distribution of inclusionary units based on the apportionment of net RHNA goals (as defined and determined below); and (v) institute a bifurcated land use entitlement process that allows for streamlined processing for projects that meet specified criteria.

In August 2006, the City Council approved the first AHOZ project on AHOZ Site V. The project consists of 44 condominium units of which four are affordable to very low income persons and three are affordable to low income persons. A \$85,635 housing in-lieu fee will also be collected. Ten of these units have been constructed and occupied, including two very low income units.

In April 2008, the Zoning Administrator approved a second AHOZ project on AHOZ Site IV. The project consists of 53 apartment units of which five are affordable to very low income persons, three are affordable to low income persons, and the remainder, since they are apartments, would qualify as moderate income units. Building permits have not been issued for this project at this time.

Ordinance No. 06-10 was adopted by the City Council in August 2006. This ordinance implements Housing Element Programs 3, 4, 5, 6, 7, 10, 12, 13, 15, 20, and 22. Exhibit “A” summarizes these programs.

Resolution 06-04 was adopted by the City Council in March 2006. This resolution adopted Standard Conditions of Approval and implements Housing Program 11. The Standard Conditions of Approval assist in removing development constraints by providing conditions upfront instead of at the end of the process. This provides developers with more certainty.

Ordinance No. 07-01 was adopted by the City Council in March 2007. This ordinance reduced the minimum lot size needed for both attached and detached secondary dwelling units to 6,500 square feet and implements Housing Programs 4 and 7 along with Land Use Policies L-21, L-22, and L-29.

A general accounting of progress made in implementing all Housing Element programs is set forth in Exhibit “B.”

Annual Programmatic Calibrations: Since Ordinance No. 05-05 (AHOZ) was adopted in October 2005, two AHOZ projects with nine very low income units, six low income units, and 45 moderate income units have been approved. One of these projects also included a housing in-lieu fee of \$85,635. Construction has been completed on a portion of one project, including two very low income units. In addition, interest has been shown in developing other AHOZ sites. Based on the interest shown for the AHOZ concept, it

appears that it is an effective method for providing affordable housing in the City of Buellton.

Ordinance 06-10 implementing several Housing Element Programs has been in effect for over two years. However, no projects have been submitted during this reporting period that have taken advantage of these revised standards. The City has formed a Community Development Block Grant Committee to review applications and has funded two social service programs during the last funding cycle. No capital project funding requests were submitted. It is too early to evaluate the effects of Ordinance 07-01 regarding the lot sizes for secondary dwelling units. Status of this item will be discussed in future reporting cycles.

In compliance with State HCD reporting requirements, a general accounting of permits issued and construction completed during the current Housing Element cycle is set forth in Exhibit "C." Three projects that have been completed or are under construction are worth mentioning.

- Vintage Walk is a commercial/residential mixed use project and contains 11 market rate residential condominiums along with six affordable apartments that are managed by the Housing Authority of Santa Barbara County. Four units are for very low income persons and two units are for low income persons. The units are fully occupied. Preferences are being given for Buellton residents.
- Valley Station consists of 36 market rate single family homes and a commercial/residential component with seven affordable housing units (three very low and four low). These units are fully occupied. The City has also subsidized one of the low income units so that a very low income tenant could occupy the unit. These units are now owned and managed by the Housing Authority of Santa Barbara County. Preferences are being given for Buellton residents.
- Juliette Walk is a 44 unit condominium project developed under the AHOZ regulations. Four of the units are designated as very low income and three are designated as low income. All seven are for sale condominiums. Ten units have been completed and occupied, including two very low income units.

In regard to removal of constraints that impede the production of affordable housing, two initiatives were adopted following adoption of Ordinance No. 05-05. Most noteworthy is the implementation of a streamlined permit process that was included as part of establishment of the AHOZ. A companion action is the adoption of a standard set of project conditions that will expedite project approvals (March 2006). In addition, processing under the California Environmental Quality Act ("CEQA") will be simplified and become less costly by using the General Plan Update Environmental Impact Report as the basis for "tiering" future AHOZ projects. One AHOZ project, Polo Village, benefited from the streamlined procedures by being approved by the Zoning Administrator as opposed to either the Planning Commission or City Council.

EXHIBIT “A”

HOUSING ELEMENT IMPLEMENTING ACTIONS

Zoning Ordinance, Affordable Housing Ordinance and Redevelopment Plan Amendments

1. **Affordable Housing Overlay Zone (Housing Element Programs 1 and 2).** Amend the current Zoning Ordinance to: (i) establish an Affordable Housing Overlay Zone (“AHOZ”); (ii) designate Key Development Sites that will initially receive an AHOZ; (iii) institute a variable limit that corresponds to the minimum number of dwellings required to achieve the City’s Net RHNA Goals, adjusted annually in connection with annual Housing Element reviews; and (iv) structure an approval process that increases the level of discretionary review according to the intensity and location of proposed development.
2. **Mixed Use Development (Program 3).** Amend the current Zoning Ordinance to: (i) replace the current 100-unit limit for mixed-use projects in the General Commercial CR Zone with a new variable limit, linked City’s Net RHNA Goals and adjusted annually in connection with annual Housing Element reviews; (ii) modify current height restrictions, allowing an increase in building heights from 35 to 45 feet on a case-by-case basis considering the variable topographic conditions along Avenue of Flags; (iii) revamp the City’s current off-street parking requirements, allowing credit for on-street and shared parking for mixed-use projects; and (iv) revise the current definition of density, granting a preference for units of less than three bedrooms.
3. **Secondary Unit and Multifamily Infill (Program 4).** Amend the current Zoning Ordinance to: (i) reduce minimum lot size requirements for secondary dwellings from 7,000 square feet to 6,500 square feet; (ii) allow infill multifamily dwellings by simple Zoning Clearance; (iii) exempt secondary dwellings from inclusionary housing requirements; (iv) provide a 2:1 density bonus for infill multifamily units up to a maximum increase of 50% above the base density; and (v) allow a reduction in development standards for infill multifamily units by discretionary review as an additional density bonus incentive under the City’s current Affordable Housing Ordinance (“AHO”).
4. **Development Capacity Preservation (Program 5).** Amend the current Affordable Housing Ordinance to discourage the reduction of residential development capacity or otherwise compensate for diminished potential by: (i) allowing rezoning (from residential to non-residential) and down zoning (reduction in densities) subject to payment of in-lieu fees to the Housing Trust Fund; and (ii) basing the computation of in-lieu fees on an inclusionary requirement of 15%, utilizing the same formulas that are already stipulated in the AHO.
5. **Inclusionary Housing (Programs 6 and 7).** Amend the current Affordable Housing Ordinance to: (i) broaden the existing 15% inclusionary requirement to encompass all property regardless of zoning; (ii) provide a 2:1 density bonus for each affordable low

and very low income unit produced; (iii) update State density bonus provisions to reflect recent statutory changes for moderate income condominiums and provision of child care facilities; (iv) compute the distribution of inclusionary units based on the apportionment of net RHNA goals; (iv) allow inclusionary units to offset replacement housing requirements on a 2:1 basis; and (v) exempt secondary dwellings from inclusionary requirements in exchange for agreement by property owners to affirmatively market secondary units to income qualifying tenants under the Section 8 HAPP.

6. **Land Use Modifications (Program 10).** Amend the current Zoning Ordinance to: (i) include and clarify shared living arrangements as allowed residential uses; (ii) prohibit discrimination on the basis of familial status, disability or other population segment stipulated in Fair Housing statutes; (iii) expressly allow emergency shelters, transitional housing, single room occupancy units, farmworker housing and congregate care facilities as allowed uses in all zone districts subject to Conditional Use Permit; (iv) clarify that the development standards for projects requiring a Conditional Use Permit shall be those development standards of the underlying zone district where the project is located; and (v) implement the provisions of Health & Safety Code Sections 17021.5 and 17021.6 regarding agricultural employee housing.
7. **Special Population and Housing Needs (Programs 12 and 13).** Amend the current Zoning Ordinance and Affordable Housing Ordinance to: (i) exempt special needs housing from inclusionary requirements; (ii) incorporate Fair Employment and Housing Act provisions into each Affordable Housing Agreement governed by the AHO; (iii) give priority to disabled persons (second only to displaced persons) in occupying affordable units governed by the AHO; (iv) institute a new abbreviated variance procedure, expressly designed to accommodate adaptive retrofit requests; and (v) seek grant funds and establish an adaptive retrofit program to underwrite the expense of modifying dwellings to accommodate the needs of persons with disabilities.
8. **Code Enforcement (Program 15).** Amend the current Affordable Housing Ordinance to: (i) institute tenant notice and relocation payments consistent with all of the provisions and requirements of Health & Safety Code sections 50651 through 50659.3; (ii) institute special procedures in regard to abatement of substandard housing conditions; (iii) clarify the definition of hotel and motel uses with respect to duration of occupancy, allow for a reasonable number of long-term visitor stays, provide for a reasonable amortization of existing non-conforming use and make allowances for relocation payments in the event of tenant displacement.
9. **Affirmative Marketing (Programs 8, 20, 21 and 22).** Amend the current Buellton Improvement Project Redevelopment Plan, 5-Year Implementation Plan and Affordable Housing Ordinance to: (i) increase the amount of tax increment "housing set aside" expressly reserved for affordable housing from 20% to 25%; (ii) require proportional expenditure of housing funds relative to Net RHNA goals; (iii) incorporate Affirmative Fair Housing Marketing requirements into all Affordable Housing Agreements; (iv) fully integrate and incorporate of the affordable housing policies and programs set forth in the Housing Element; and (v) impose two-year noticing as part of the Affordable Housing Agreements executed and recorded in connection with covered units.

EXHIBIT "B"

HOUSING ELEMENT PROGRAM PERFORMANCE (2004-2007)

Housing Program			Five-Year Objective	Implementation Time Frame	Status of Implementation
ADEQUATE HOUSING SITES	1	General Plan Update	Amended General Plan Land Use Element & Zoning Ordinance	2005-2007	Land Use and Circulation Elements adopted in September 2005; remaining Elements adopted in 2007.
	2	Affordable Housing Overlay Zone	Amended General Plan Land Use Element & Zoning Ordinance	2004-2005	Ordinance 05-05 adopted in October 2005. One AHOZ project under construction and a second one received approval of a Final Development Plan
	3	Mixed Use Development.	Amended General Plan Land Use Element & Zoning Ordinance	2004-2005	Ordinance 06-10 adopted in August 2006. Mixed use density requirements, development standards, and the maximum number of units revised.
	4	Secondary Unit & Multifamily Infill	Amended Zoning Ordinance	2004-2005	Ordinance 06-10 adopted in August 2006. Second unit and infill housing standards revised. Ordinance 07-01 adopted in March 2007. Minimum lot sizes for allowing secondary dwelling units reduced to 6,500 square feet.
	5	Development Capacity Preservation.	Amended Zoning Ordinance	2006	Ordinance 06-10 adopted in August 2006. Development capacity provisions added to zoning ordinance.
AFFORDABLE HOUSING SUPPLY	6	Inclusionary Housing	Amended Zoning Ordinance	2004-2005	Ordinance 06-10 adopted in August 2006. Inclusionary and density bonus provisions modified.
	7	Secondary Dwelling & Infill Inducements	Amended Zoning Ordinance & Financial Assistance Programs	2004-2005; 2005-2006 for Establishment of Financing & Subsidy Programs	Ordinance 06-10 adopted in August 2006. Second unit and infill standards revised. Establishment of Financing & Subsidy Programs will occur in 2007-2008. Ordinance 07-01 adopted in March 2007. Minimum lot sizes for allowing secondary dwelling units reduced to 6,500 square feet.

Housing Program			Five-Year Objective	Implementation Time Frame	Status of Implementation
AFFORDABLE HOUSING SUPPLY	8	Housing Trust Fund	Capitalization of Housing Trust Funds	Redevelopment Plan and 5-Year Implementation Plan Amendment; 2005 for Fee Studies; Ongoing for Grant Applications & Non-Profit Collaboration	Redevelopment Plan and 5-Year Implementation Plan Amendments were adopted in March and June of 2005, respectively. Balance of activities will commence in 2007-2008.
	9	Public-Private Partnerships	Affordable Housing Projects	Ongoing	City Continues to Confer with Developers and Non-Profit Housing Sponsors on Affordable Housing Opportunities.
HOUSING IMPEDIMENTS	10	Land Use Modifications	Amended Zoning Ordinance	2004-2005	Ordinance 06-10 adopted in August 2006. Land use modifications adopted including special housing types.
	11	Development Constraints	Amended Zoning Ordinance & Modified Development Fees	2005-2006	Standard Conditions of Approval adopted in March 2006. Abbreviated CEQA Evaluation Procedures included with Ordinance 05-05.
	12	Special Needs Housing	Amended Zoning Ordinance	2004-2005 for AHO Amendment; Ongoing for Supporting Services	Ordinance 06-10 adopted in August 2006. Special needs housing provisions added.
	13	Persons with Disabilities	Amended Zoning Ordinance & Adaptive Retrofit Program	2005	Ordinance 06-10 adopted in August 2006. Wording addressing persons with disabilities added.

Housing Program			Five-Year Objective	Implementation Time Frame	Status of Implementation
CONSERVATION & REHABILITATION	14	Property Rehabilitation	Amended Zoning Ordinance, Emergency Repairs & Property Rehabilitation	Ongoing for Emergency Mobile Home Repair Program; 2006-2007 for Program Expansion	City Appropriated Funds for Continuation of Mobile Home Repair Program as Part of FY2007-08 Budget.
	15	Code Enforcement	Amended Zoning Ordinance & Residential Motel Amnesty Program	2004-2005 for AHO provisions; 2007 for Amnesty Program	Ordinance 06-10 adopted in August 2006. Wording regarding Code Enforcement procedures added. Residential Motel Amnesty Program will commence in 2009.
	16	Affordable Covenants and Interim Assistance	Development Agreements & Financial Assistance	2004-2005	The City will be available to discuss financing options with affordable housing developers. Redevelopment funds, Home Consortium funds, and CDBG funds are, or will be, available.
	17	Energy Conservation	Increased Energy Awareness	Ongoing	Phase 2 of General Plan Update adopted in 2007 includes goals, policies, and programs relating to energy conservation and awareness.
EQUAL HOUSING OPPORTUNITIES	18	Fair Housing Services	Local Access to Fair Housing Services	2005	Discussions with County on Program Development and Joint Funding will be ongoing.
	19	Information & Referral	Distribution of Information Regarding Equal Access to Housing	2004 for Fair Housing Seminar; 2005 for Mailing & Website; Ongoing for Information Dissemination & Interagency Cooperation	Outreach and Referral is Ongoing. City Co-Sponsored and Participated in Fair Housing Seminar in October 2004.
	20	Affirmative Marketing	Amended Zoning Ordinance	2004	Ordinance 06-10 adopted in August 2006. Affirmative marketing provisions added.
	21	Public Participation & Monitoring	Integrative Policy Development & Performance Review	2004-2005 for Redevelopment Plan Amendments; Ongoing for Noticing & Annual Reports	Redevelopment Plan and 5-Year Implementation Plan Amendments were adopted in March and June of 2005, respectively. Noticing and Annual HCD Reports are Ongoing.
PRESERVATION OF AT RISK UNITS	22	Affordable Housing Monitoring	Amended Zoning Ordinance & Annually Updated “At Risk” Units List	2004-2005 for AHO Amendment; Ongoing for Annual Year-End Reports	Ordinance 06-10 adopted in August 2006. Monitoring provisions added. Noticing and Annual HCD Reports are Ongoing.

EXHIBIT "C"

HOUSING PRODUCTION (2007-2008)

Residential Projects (Fully Entitled, Permitted, & Under Construction)	No. of Residential Units			
	10/1/06 thru 9/30/07	10/1/07 thru 9/30/08		TOTAL
Vintage Walk (Mixed Use)				
Permits Issued	0			0
Construction Completed	11 -4 - "2"			11 -4 - "2"
Valley Station (Mixed Use)				
Permits Issued	0			0
Construction Completed	36 -3 - "4"			36 -3 - "4"
Juliette Walk (AHOZ)				
Entitlement		10 -2- "2"		10 -2- "2"
Permits Issued		17 -0- "1"		17 -0- "1"
Construction Completed		10 -2- "0"		10 -2- "0"
Central Avenue Condos				
Entitlement		10 <1.5>		10 <1.5>
Permits Issued		0		0
Construction Completed		0		0
Polo Village (AHOZ)				
Entitlement		[45] -5- "3"		[45] -5- "3"
Permits Issued		0		0
Construction Completed		0		0
Miscellaneous				
Permits Issued	1	1		2
Construction Completed	0	1		1
Total				
Entitlement	0	20 [45] -7- "5"		20 [45] -7- "5"
Permits Issued	1	18 -0- "1"		19 -0- "1"
Construction Completed	47 -7- "6"	11 -2- "0"		58 -9- "6"

Residential Projects (Partially Entitled; Not Yet Permitted)	No. of Residential Units			
	Very Low Income	Low Income	Moderate Income	Above Moderate
The Village Specific Plan	21	15	13	195
Total	21	15	13	195

NOTES:

1. Numbers within parenthesis () denotes second dwellings. These units are counted toward Moderate Income RHNA goals based on survey data obtained in connection with the 2004 Housing Element.
2. Numbers within brackets [] denotes multiple family dwellings. These units are counted toward Moderate Income RHNA goals based on housing cost modeling and rent survey data obtained in connection with the 2004 Housing Element.
3. Numbers within arrows < > denotes number of units for which housing fees were paid in-lieu of constructing affordable units on-site as part of the project.
4. Numbers within dashes - - denotes very low income units.
5. Numbers within quotations " " denotes low income units.
6. Income breakdown for The Village Specific Plan corresponds to the conditions of approval imposed in connection with adoption of the specific plan.